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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/764,782  
Filing Date: January 17, 2001  
Appellant(s): MCGARRY ET AL.

Carolyn Bleck Kosowski  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed 12/09/08 appealing from the Office action mailed 08/07/08.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

No amendment after final has been filed.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

7024462	McErlean	10-2000
20030033212	Sandhu et al.	11-1999

Official Notice

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

**Claims 26 – 33, 36 – 43, 46 -53 and 56 - 58** are rejected under 35 U.S.C. 103(a) as being unpatentable over Sandhu (US PG Pub. 2003/0033212) in view of McElean (US Patent 7,024,462).

**Regarding Claim 26**, Sandhu discloses a system comprising:

- one or more remotely located client devices (member/provider systems) to capture information (via the provider deal capture system) concerning one or more deals from one or more users (member/provider systems). (see fig. 1 & 14; para. 6; para. 843);

- the captured information identifying a party (internal party), a counterparty (external party) and one or more product types (trade type) of one or more financial products associated with the one or more deals. (see fig. 3, para. 225; para. 843 - 845);
- wherein the one or more deals are executed trades (completed transactions) and the one or more users (member/provider systems) are party or the counterparty to the one or more deals. (see para. 843); and
- a deal management computer (respective back-end systems) in communication with the one or more remotely located client devices (member/provider systems) to process the one or more deals through multiple deal states (processing). (see para. 7).

Sandhu does not teach that the system routes deals based on the one or more product types of the one or more financial products associated with the one or more deals.

McErlean discloses a system comprising routing messages based on one or more types (tags). (see col. 1, lines 11 – 65).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified Sandhu by incorporating a routing of deals based upon deal information, as disclosed McErlean, to allow for the most efficient and productive processing of the submitted deals.

**Regarding Claims 27 – 33**, Sandhu discloses a system wherein:

- the one or more financial instruments include a derivative instrument (derivatives trading). (see abstract);
- the one or more financial products include one or more of the following: swaps (interest rate swaps). (see para. 183);
- the one or more remotely located client devices include an interface (user interface) to select the one or more product types of the one or more financial products and to identify the party and the counterparty associated with one or more deals. (see fig. 45 – 159);
- wherein the one or more remotely located client devices include an interface to access information concerning the one or more deals during processing of the one or more deals (interfaces that enable monitoring the status of transactions). (para. 1230 – 1461);
- wherein the multiple deal states include states for trade authorization (verification) and settlement (settlement and back-end processing). (see para. 1494 - 1497); and
- wherein the multiple deal states include (i) deal in process (active quote outstanding), (ii) deal pending trade authorization (verification), (iii) deal pending middle office processing (settlement) and (iv) deal in back office (back-end processing). (see para. 1494 - 1497); and
- wherein completion of the one or more deals results in a mature deal (accepted and executed deal) or an inactive deal (expired deal). (see para. 1240; 1496 - 1497).

**Regarding Claim 56**, Sanhu discloses a system wherein the deal management computer (back-end system) is in communication with a plurality of internal systems (pricing, payments, trading, confirmation, settlement), each of the internal systems being associated with one or more product types. (see fig. 1).

Sandhu does not teach that the captured information being routed to at least one of the plurality of internal systems. s

McErlean discloses a system comprising routing messages based on one or more types (tags). (see col. 1, lines 11 – 65).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified Sandhu and McErlean by incorporating a routing of deals based upon deal information, as disclosed McErlean, to allow for the most efficient and productive processing of the submitted deals.

**Regarding Claims 36 – 43, 46- 53 and 57 - 58**, such claims recite similar limitations as claimed in previously rejected claims, would have been obvious based upon previously rejected claims, or are otherwise disclosed by the prior art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized. Applicant is reminded that any argument contrary to such an interpretation is an indication of patentably distinct subject matter that may warrant a restriction requirement.

**Claims 34 – 35, 44 – 45 and 54 - 55** are rejected under 35 U.S.C. 103(a) as being unpatentable over Sandhu and McErlan, as applied to Claims 26, 36 and 46 above, and further in view of Official Notice.

Regarding Claims 34 – 35, Sandhu does not explicitly disclose that the party or counterparty to the above deals are a hedge fund or an investment bank, although Sandhu states that his system "enables institutional investors and financial institutions" to overcome deficiencies in the prior art. (see para. 05). Hedge funds and investment banks fall within the scope of that language. Furthermore, such claim language appears to be directed toward intended use (identifying the intended users of the claimed system).

Regardless, Examiner takes **Official Notice** that it is old and well known that hedge funds and investment banks are traditional and conventional parties to financial transactions in the art of investing and financial markets.

It would therefore have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Sandhu and McErlan by incorporating such users as are old and well known in the art, as such users are standard and traditional participants in the activities to which the claimed invention is directed towards.

**Regarding Claims 44 - 45 and 54 - 55**, such claims recite substantially similar limitations as claimed in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized.

#### **(10) Response to Argument**



**Initial Matters**

Appellant asserts that "the Office did not include a citation to the particular part of McErlan that was being relied C.F.R. § 1.104 (c) (2)" and that "this type of prosecution is unreasonable as Appellants did not have an adequate opportunity to respond to the Office's rejections." Examiner refutes such an assertion

C.F.R. § 1.104 (c) (2) states:

(2) In rejecting claims for want of novelty or for obviousness, the examiner must cite the best references at his or her command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified.

Examiner cited the best references at his command and listed them in the grounds of the rejection. The McErlan reference is not complex and consists of a specification of only ten pages.

The asserted claim limitation is directed toward "the captured information being routed based upon" data types. The entirety of McErlan was deemed pertinent as the entire document, all ten pages, pertains to "Electronic Message Routing" and such is the name of McErlan's invention.

Examiner mapped the claim term "types" to the McErlan term "tags" The McErlan abstract states:

**An electronic message processing system in which routing tags are used to determine how electronic messages are routed, distributed, or otherwise processed by the system.** The association of a routing tag with an electronic message indicates to the system that the tagged electronic message does not need to undergo classification in order to determine how to process the message. In particular, routing tags are associated with electronic messages which have already been classified and which are subsequently sent out of the system to return at a later time. The routing tag prevents the message from having to be re-classified upon its return to the system. Reducing the number of messages that are classified, or re-classified, is advantageous since the classification process, which typically involves text analysis, is a time consuming process. (emphasis added – see abstract).

When the first sentence of the abstract and the title of a reference dictate the pertinence of a reference, Examiner is uncertain how Appellant can then claim that they were blindsided by its relevance.

Examiner did cite relevant portions in later actions to refute specific arguments and refine but that does not diminish or limit the application of McErlean to those few portions as the entirety of McErlean is relevant and applicable to the Appellant's invention.

**§ 103 Rejection - McErlean Reference**

Appellant argues that cited portion of McErlean has "nothing to with routing messages based on 'types' or 'tags' as alleged in the final Office Action."

Assuming we disregard the abstract (reproduced above), the argued portion (col. 1, lines 11 – 65) states:

Many organisations are now equipped to receive messages, including orders and enquiries, by electronic means...Each message must be processed and dealt with appropriately i.e. according to the nature of the message. In many cases, the volume of received electronic messages is relatively high and it is considered inefficient to process each message manually...Hence, the classification information is used as routing information since the category(s) into which the message falls determine how it is routed, or distributed, within the system...By way of simplistic example, a banking organisation may have a message processing system arranged to receive electronic messages in three different categories, namely: balance enquiry; request for funds transfer; and interest rate enquiry. In order to categorize each received message, a text analyzer in association with a rule engine applies a set of four rules to each message in turn. (see col. 1, lines 11 – 65).

McErlean discloses the routing of captured information by classification information. McErlean, in other portions, also uses the terms "tags", "categories" and "types" to dictate the identifier to indicate the routing of electronic messages.

Appellant argues that the "message in McErlean is based on the text of the email message." Actually, McErlean states that "Typically, such electronic messages take the form of text-based messages, for example e-mails, delivered by a global computer network, for example the Internet, or by a telecommunications network, for example a mobile telephone network." (see col. 1, lines 14 – 18). McErlean is much broader than just email messages, although email messages are utilized as an example, but encompasses, at least, all text-based electronic messages.

Appellant argues that the message in McErlean "is not routed based on a product type as required by claims 26, 36 and 46."

Claim 26 claims "the captured information identifying a party, a counterparty, and one or more product types of one or more financial products associated with the one or more deals" and "the captured information being routed based on the one or more product types of the one or more financial products associated with the one or more deals."

McErlean discloses the captured information (electronic message) identifying (containing) information (text elements comprising the text message) and routing the capture information (electronic message) based on the information (text elements comprising the text message). The product type is merely the information contained within the message.

Sandhu discloses a system that captures information via the deal capture system. (see fig. 14). The information is transmitted as an electronic message concerning financial transactions (see para. 711 - 713). The financial transaction

information includes the product type, such as Euro currency in a foreign exchange spot transaction. (see para. 205).

Examiner asserts that based upon the disclosures of Sandhu and McErlean that it would have been obvious to one of ordinary art at the time the invention was made to have modified Sandhu to incorporate the ability to route information, as disclosed by McErlean, based upon the product type contained within the information, as disclosed by Sandhu, allowing for efficient classification of information which "is a time consuming process". (see McErlean, abstract).

### **§ 103 Rejection – Sandhu Reference**

Appellant asserts that Sandhu does not teach "remotely located client devices to capture information concerning one or more deals from one or more users...wherein the one or more deals are executed trades."

Sandhu states:

The present invention provides a system and method that enables users, such as institutional investors and financial institutions, to interactively engage in capital market transactions, including the trading of Over-the-Counter financial products, via the Internet (including the World Wide Web). The system includes a variety of servers, applications, and interfaces that enable users to interactively communicate and trade financial instruments among one another. Interactive communications supported by the system include: requesting price quotes, monitoring and reviewing quote requests, issuing price quotes, monitoring and reviewing price quotes, negotiation between users, acceptance of price quotes, reporting, portfolio management, analysis of financial information and market data, and communications among users via an automated processor. Such automated communications enable connectivity with users' internal, back-end systems to execute automated, straight-through processing, including transaction pricing, payment scheduling and journaling, derivatives trading, trade confirmation, and trade settlement. (emphasis added, see abstract).

Sandhu discloses remotely located client devices to capture information (via a variety of interfaces) concerning one or more deals (trades) from one or more

users...wherein one or more deals (trades) are executed trades (inherent in issuance of trade confirmation and trade settlement).

Appellant attempts to differentiate Sandhu, as allegedly Sandhu is directed to a front-end trading system, merely mentioning middle and back-end processing in passing, while the claimed invention is directed to a middle and back-end trading system. Appellant also argues that Sandhu "does not disclose any details of the middle or back-end systems, which are the focus of Appellant's invention."

Regardless, even if Appellant's arguments were true, which Examiner refutes, Sandhu does disclose middle and back-end processing. Furthermore, even if Sandhu does not disclose the details of the Appellant's intended invention, an argument which the Examiner refutes, Sandhu does disclose the details of the Appellant's claimed invention.

Appellant also attempts to differentiate Sandhu by stating that the claim limitation cites "executed trades" while Sandhu discloses transactions not yet executed.

First, the claim terminology of "executed trades" must be broadly interpreted. Claim 26 obviously doesn't mean that the deals are completely and finally executed (e.g. all parties have completely settled) when information is captured. This would create a conflict with Claim 32 which states that these "executed deals" are classified as being "in process" or "pending trade authorization," deal stages that must proceed execution. All "executed trades" means is that the deal will eventually be executed.

Even that liberal interpretation might be in error as "pending trade authorization" (as in Claim 32) and labeling a deal as "an inactive deal" (as in Claim 33) indicates that

a deal might never fully proceed to final resolution. This is highlighted by the fact that the newly amended claims have deleted the limitation that the deals pass through multiple deal states to completion in realization that the deal might not reach completion.

Examiner has made this argument in the past and Appellant now claims that "executed trades" means that "both parties have already agreed to the trade." (see Applicant Arguments, p. 10). So, if Examiner understands Appellant properly, the "executed trades" refer to agreed upon trades, not processed and finalized trades.

Examiner refutes such an assertion as such definition of claim terminology was not articulated in the original specification nor utilized in the previously presented claim(s). As such, the broadest definition for the term was applied as to provide the "broadest reasonable interpretation consistent with the specification during the examination of a patent application since the applicant may then amend his claims." See *In re Prater and Wei*, 162 USPQ 541, 550 (CCPA 1969).

Second, even if one was to take the Appellant's narrow definition of "an executed trade," deals in Sandhu do proceed to the status of executed trades. In fact, Sandhu communicates its information to middle and back-end trading systems, even to the point of generating trade confirmations and performing settlement procedures. (see abstract; para. 211 – 212). If information is transmitted that generates trade confirmation and trade settlement, then captured information pertaining to executed trades must be transmitted.

Third, Sandhu does disclose transmission of captured information pertaining to executed trades. (see para. 1523 and 1539).

**§ 103 Rejection – Motivation**

Appellant asserts that "the mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination" (citing *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990)). Appellant further argues that neither Sandhu nor McErlean discloses such motivation.

First, McErlean states:

Many organisations are now equipped to receive messages, including orders and enquiries, by electronic means. Typically, such electronic messages take the form of text-based messages, for example e-mails, delivered by a global computer network, for example the Internet, or by a telecommunications network, for example a mobile telephone network. Each message must be processed and dealt with appropriately i.e. according to the nature of the message. **In many cases, the volume of received electronic messages is relatively high and it is considered inefficient to process each message manually.**

McErlean discloses a motivation to combine Sandhu and McErlean, reduce the inefficiency in routing captured information.

Second, the Courts have recently stated that "[w]hen a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the

technique is obvious unless its actual application is beyond his or her skill." *KSR Int'l Co. v. Teleflex, Inc.* 127 S. Ct. 1727, 1740, 92 USPQ2d 1385, 1396 (2007).

In the instant case, the cited prior art references were available in the field at the time of the purported invention. The Appellant merely implemented a variation of the existing elements present within the prior art in establishing his/her own invention, either through substitution and/or combination of such prior existing elements. Where, as here "[an application] claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result," *KSR*, 127 S.Ct. at 1740, 82 USPQ2d at 1395 (citing *United States v. Adams*, 383 U.S. 50-51, 148 USPQ 479, 483 (1966)).

Furthermore, in the instant case, each incorporated element performs the same function (i.e. routing capture information) and/or provides the same utility (i.e. efficiency) as intended in their original state, and therefore yields a predictable result.

### **§ 103 Rejection – Official Notice**

Appellant claims "capturing information identifying a party and a counterparty, where the party or the counterparty is a hedge fund or an investment bank." (see Appellant's Arguments, p. 11). Examiner took Official Notice in a previous office action that it is "old and well known that hedge funds and investment banks are traditional and conventional parties to financial transactions in the art of investing and financial markets." (see Final Action, p. 6).



Appellant argues that "capturing information identifying a party and a counterparty, where the party or the counterparty is a hedge fund or an investment bank, is still not taught by the taking of Official Notice."

As Appellant has not stated why the Official Notice statement(s) are not to be considered common knowledge or well known in the art, Examiner assumes that Appellant agrees that hedge funds and investment banks are parties to financial transactions. Examiner assumes that the Appellant's argument is that, even with this common knowledge, the prior art does not disclose the encoding of this specific information within the captured information.

First, Sandhu states:

FIG. 3 illustrates the structure of a Trade element. Trade element 500 contains at least one pair of "Counterparty" elements 510, which are the parties engaged in the transaction. Each Counterparty element 510 can be an "Internal Party" element 515 or an "External Party" element 520 (described below). Trade element 500 also contains a "Trade Type" element 530, which contains one of the following Trade Type sub-elements: (see para. 225).

Sandhu discloses that captured information (trade element) identifies the party and the counterparty, regardless of the identities of the respective parties. As it is old and well known that the parties may be hedge fund or an investment bank, their identity would be the identifier in the captured information.

Second, Appellant argues the claim limitation does "not define the parties to the transaction, but instead further define[s] the captured information." However, such an interpretation goes against the explicit claim language of Claims 34, 35, 44, 45, 54 and 55.

Additionally, such an interpretation would mean that those claims pertain to non-functional data, as these differences are only found in the nonfunctional descriptive material of the captured information and are not functionally involved in the steps recited. The claimed steps would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability. *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Ngai*, F. 3d, 2004 WL 1068957 (Fed. Cir. May 13, 2004).

#### **§ 103 Rejection – Claims 56 - 58**

Appellant argues that Sandhu fails to teach or suggest "each of the internal systems being associated with one or more product types."

Sandhu discloses a plurality of internal systems. (see fig. 1). Sandhu discloses processing captured information (trade elements) pertaining to a product type (trade type). (see para. 225). The internal systems process the captured information. The internal systems are, therefore, associated with one or more product types, as the internal systems are associated with all the product types (trade types) that they process.

Appellant argues that Sandhu fails to teach or suggest "the captured information being routed to at least one of the plurality of internal systems".

Sandhu discloses a plurality of internal systems. (see fig. 1). Sandhu discloses processing captured information (trade elements) pertaining to a product type (trade

type). (see para. 225). The internal systems process the captured information. The captured information is, therefore, being routed to at least one of the plurality of the internal systems.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Jason M Borlinghaus/  
Examiner, Art Unit 3693  
March 15, 2009

Conferees:

James A. Kramer /JAK/  
Supervisory Patent Examiner, Art Unit 3693

/James P Trammell/

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